

***Update from the GIPS
Executive Committee:
new initiatives
and guidance***

GIPS-Roundtable of
the Liechtenstein Bankers Association

17 June 2014

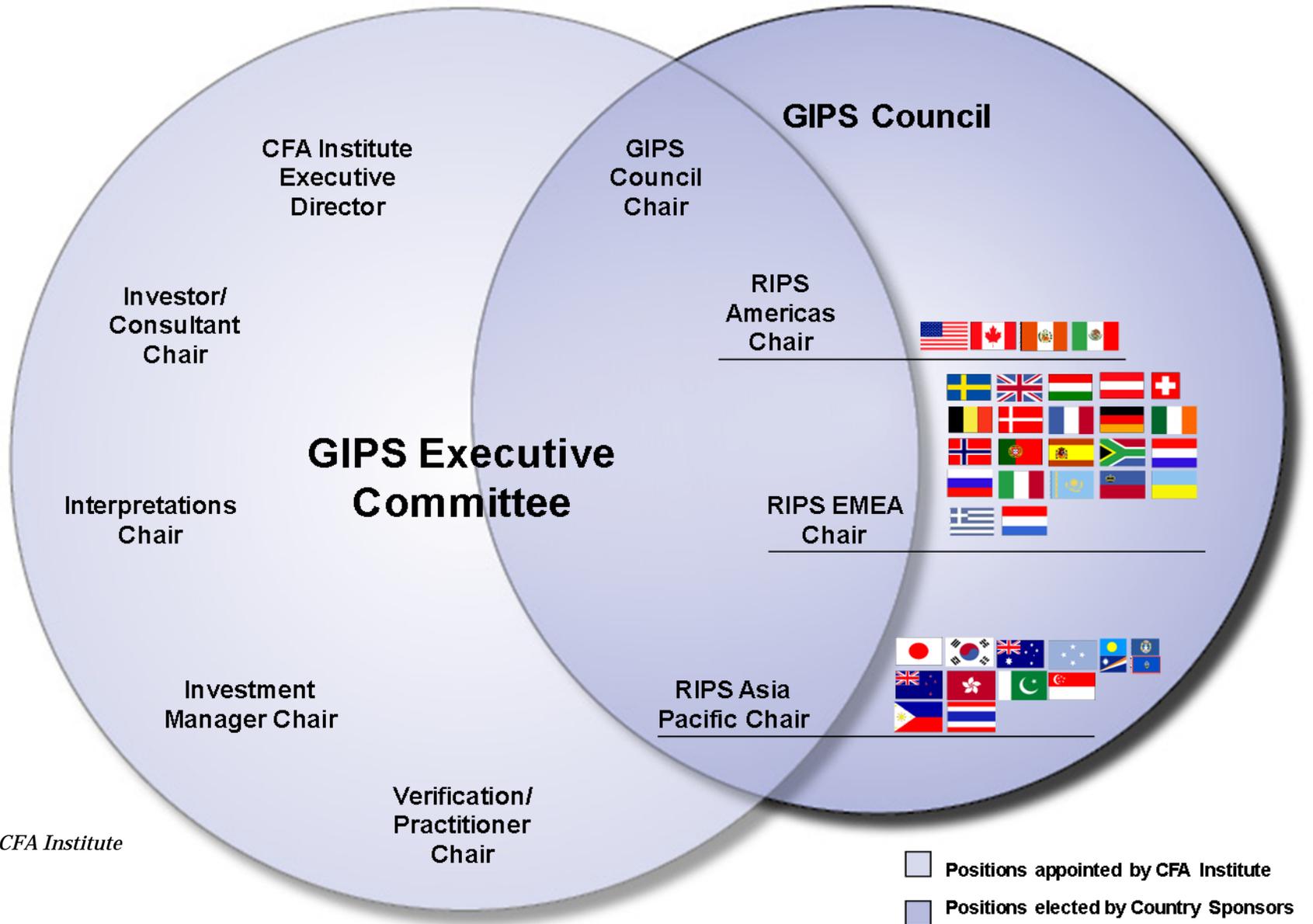
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Member of the GIPS Executive Committee

Agenda

New GIPS Governance

Status of GIPS strategic projects

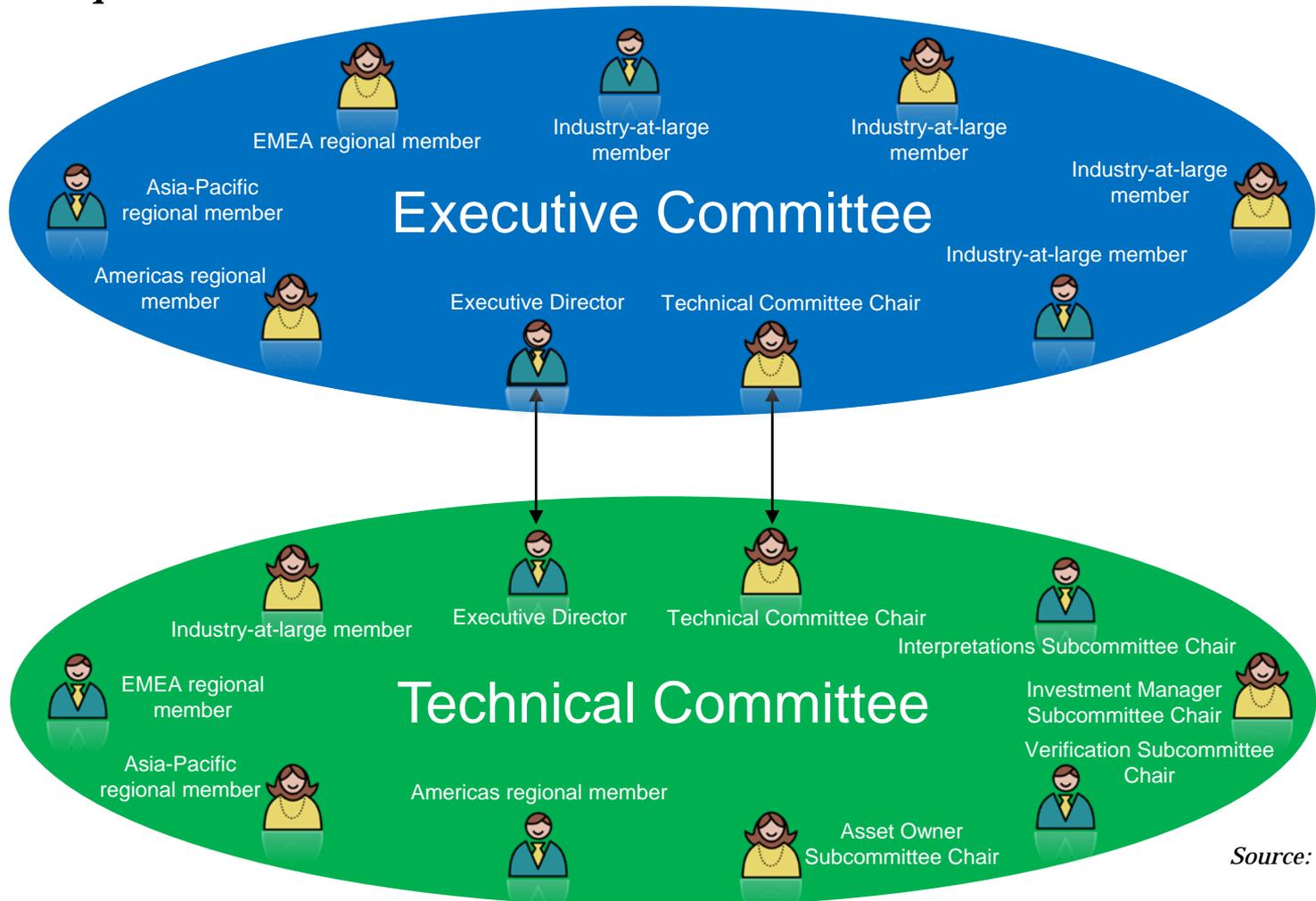
Current GIPS Governance structure



Source: CFA Institute

New GIPS Governance structure

(from September 2014)



Source: CFA Institute

Status of GIPS strategic projects (1)

Project	Status
Guidance Statement for Pension Funds, Endowments, Foundations and Other Similar Entities	The Guidance Statement had been revised in order to take into account feedbacks received from the public comment period and was approved at the GIPS EC meeting on 6.6.2014. It will be published shortly.
Update of the GIPS Guidance Statement on Performance Record Portability	Significant update of the existing Guidance Statement to provide more guidance on the length of the history of portable composites, application of the “grace period” for mergers between firms, etc. Amendment will also be proposed to GIPS 5.A.8 to change “must” to “may” with respect to linking performance record if portability criteria are fulfilled. Exposure draft for public comment is expected in the end of 2014.
Guidance Statement on Risk	First draft of the guidance has been reviewed by the GIPS EC and the revised draft will be resubmitted to the EC later in 2014. Exposure draft is expected for public comment in 2015.
Update of the GIPS Guidance Statement on Supplemental Information	This Guidance Statement is being revised by the Interpretations Subcommittee and will provide additional guidance on what is supplemental information, what must be labeled, and where it can appear, as well as additional guidance on presenting model, hypothetical, or back-tested performance when new investment products are introduced. Exposure draft is expected for public comment in 2015.

Status of GIPS strategic projects (2)

Project	Status
Guidance Statement for Pooled Funds	The Guidance Statement will provide guidance for fund management companies that claim GIPS compliance and will address issues, such as situations where firms are not selling their strategy but a specific pooled fund, what performance presentation must be provide to prospective unitholders of a fund, etc. First draft of the guidance has been reviewed by the GIPS EC and the revised draft will be resubmitted to the EC later in 2014. Exposure draft is expected for public comment in 2015.
Update of the GIPS Guidance Statement on Verifier Independence	This Guidance Statement is being revised by the Verification Subcommittee. Exposure draft for public comment is expected in 2015.
Update of the Questionnaire for prospective verification firms	This questionnaire was approved by the GIPS EC as a “white paper” in February 2014 and posted on the GIPS website.
Guide for Creating, Maintaining and Reviewing GIPS disclosures	This Guide will include a comprehensive list of all disclosures in the GIPS framework and a guidance on how long some specific disclosures have to be presented in a GIPS compliant presentation. It is expected to be issued by the end of 2014.

Status of GIPS strategic projects (3)

Project	Status
Guidance Statement on Overlay Strategies	<ul style="list-style-type: none"> • This Guidance Statement will address a number of challenges associated with overlay strategies, such as: <ul style="list-style-type: none"> – Calculation of the composite and firm assets: Should only the effective market value of the overlay portfolios be used, or the managed underlying exposure – Composite construction: How should overlay portfolios be grouped in composites – Performance calculation: What should be the capital basis for the overlay return calculation? • First draft was developed by a dedicated group of the EC members in 2013. A dedicated Working Group has been launched and is currently working on this Guidance. Exposure draft for public comment is expected in 2015.
Guidance on composite benchmarks	<p>This guidance is being developed by the Investment Manager Subcommittee and will provide guidance on definition and selection of composite benchmarks. A first draft to the EC is expected later in 2014.</p>

Status of GIPS strategic projects (4)

Project	Status
Exposure Draft for Notification Requirement regarding GIPS claim of Compliance	<p>CFA Institute is seeking to gather comprehensive data on firms claiming GIPS compliance and has issued for public comment a proposal to require GIPS compliant firms to register their claim of compliance with CFA Institute and to provide some specific data.</p> <p>The public comment period will last until 7.7.2014 and feedback can be provided under the following weblink:</p> <p>https://s.userzoom.com/p/MSBDMzI5UzE3/99635326840092075751#uz_welcome</p>
New GIPS logo	<p>A new GIPS logo is being developed by CFA Institute. It is expected that there will be a separate logo for use by the GIPS country sponsors and a separated logo for use by GIPS compliant firms. The new logos are expected to be issued later in 2014.</p>

Questions?

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